



20 July 2022



Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), received on 22 June 2022. You requested the following regarding the process of filing a tax return when receiving pensions from both Canada and New Zealand (numbered for ease of response):

- 1) *The policy discussions that arise or have previously arisen on the issue of the process and that of aging*
- 2) *Given that WINZ deducts the net Canadian pension fully from the NZ Superannuation and gives the adjusted figure to Inland Revenue why cannot they internally deduct the amount and just tell the IRD that I get a full NZ pension and I would then no longer need to file a return*
- 3) *There are three organisations involved, Senior Citizens, Inland Revenue and NZ Super of WINZ... I would also like details of all discussions on policy within and between the aforementioned governmental organisations.*

Question 1

Inland Revenue does not hold a record of any policy discussions relating to the Canadian pension process and aging.

This part of your request is refused under section 18(e) of the OIA, as the document alleged to contain the information requested does not exist or cannot be found.

I note there is the option for an individual to appoint an enduring power of attorney. More information can be found at www.justice.govt.nz/family/powers-to-make-decisions/the-court-and-enduring-power-of-attorney-epa/.

An individual can also nominate someone to act on their behalf for their Inland Revenue responsibilities. More information can be found at www.ird.govt.nz/managing-my-tax/getting-someone-to-act-on-my-behalf/nominated-person.

Question 2

There are two international agreements which cover the payment of pensions for Canadian and New Zealand residents. These are the:

- New Zealand-Canada Social Security Agreement, and
- New Zealand-Canada Double Taxation Agreement.

Both of these documents, and information about the Canadian pension arrangement, are publicly available:

Document Description	Website address
Social security agreement with Canada – Work and Income	www.workandincome.govt.nz/pensions/travelling-or-moving/social-security-agreements/canada.html
Social Welfare (Reciprocity with Canada) Order 1996	www.legislation.govt.nz/regulation/public/1996/0178/latest/DLM215285.html?src=qs
Convention between New Zealand and Canada for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income	https://legislation.govt.nz/regulation/public/2015/0074/latest/DLM6424302.html

The social security agreement covers reciprocal social security arrangements including entitlements to the Old Age Security Programme and the Canada Pension Plan. Under New Zealand's Social Security Act 2018 the amounts received under the Canadian pension arrangements are taken into account for New Zealand Superannuation purposes. As a result, the New Zealand superannuation payment is adjusted so that the total payments are approximately equal to those paid if you had only lived in New Zealand. Some countries have payments arrangements with New Zealand under the Special Banking Option, which results in the payment of a single amount of New Zealand superannuation. However, this option is not available in the case of Canada. Whether payment arrangements could be simplified in future would need to be considered by the Ministry of Social Development and its Canadian equivalent.

From a tax perspective, New Zealand Superannuation is taxable income, meaning that tax on that income is paid to Inland Revenue. The 15% tax charged on the gross amount of the Canadian pension payment is a double taxation treaty rate. Whilst this amount is payable to Canada, it is creditable (offset) against the New Zealand tax paid on the gross Canadian pension income. An individual needs to declare both the gross payment amount and the Canadian tax withheld to Inland Revenue in order to benefit from double taxation relief under the treaty.

Question 3

Inland Revenue does not hold a record of any policy discussions with Ministry of Social Development relating to the Canadian pension process.

This part of your request is refused under section 18(e) of the OIA, as the document alleged to contain the information requested does not exist or cannot be found.

Right of review

If you disagree with my decisions on your OIA request, you can ask an Inland Revenue review officer to review my decisions. To ask for an internal review, please email the Commissioner of Inland Revenue at: CommissionersCorrespondence@ird.govt.nz.

Alternatively, under section 28(3) of the OIA, you have the right to ask the Ombudsman to investigate and review my decision. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

If you choose to have an internal review, you can still ask the Ombudsman for a review.

Publishing of OIA response

Please note that Inland Revenue regularly publishes responses to requests that may be of interest to the wider public on its website. We consider this response is of public interest so will publish this response in due course. Your personal details or any information that would identify you will be removed prior to it being published.

Thank you for your request.

Yours sincerely



Sam Rowe
Policy Lead